

# REMARKS

The Abstract has been amended as suggested by the examiner. In addition, it now explicitly mentions that an "official" identification card is used to authenticate the payee's identity and that the transaction is compliant with the USA PATRIOT Act and the Bank Secrecy Act.

It is noted that the published version of the O'Leary reference (2003/0140004) is cited in the body of the Detailed Action, but that an unpublished provisional application (60/132,305) is listed on the 1449. Applicants assume that the references to page and paragraph numbers are to the published version, and have not reviewed the unpublished provisional application.

Applicants respectfully traverse the rejection of all claims as being anticipated by or obvious from O'Leary. In particular, O'Leary fails to disclose Applicants' recited use of "embedded identification information read from the payee's said official identification card" [emphasis added].

The purpose and function of O'Leary's System for Processing Internet Payments is fundamentally different from Applicants' Remote Cash Transaction System. In particular, O'Leary is primarily concerned with protecting the payer against unauthorized or fraudulent withdrawals that could occur in a conventional EFT-based payment system and assumes that both payer and payee (typically a consumer and a merchant) are previously registered participants. Even O'Leary's "Pay Anyone" alternative (as described in paragraphs 0110 and 0111 on page 12) requires that the payee be "specifically some one with a card and VPL account as described above"

In contrast, Applicants' claimed invention is intended to be used to send instant cash at any time to anyone with an official machine-readable identification card, such as a driver's license or other government-issued ID, even if that person does not have (and is not willing or able to apply for) any account at any involved financial institution. As noted in the Background (paragraphs 0005 and 0007) persons under legal age and/or with insufficient credit history, as well as travelers who for any other reason cannot use checks, credit cards or debit cards, can still use Applicants' system to obtain

cash in the middle of the night from friends and relatives in another city or even in another country.

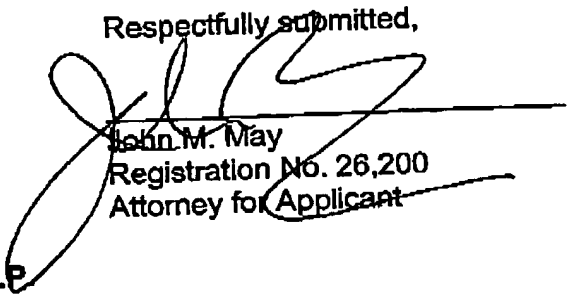
Moreover, since government issued identification cards are typically used for a variety of purposes, any lost, stolen or altered cards will be promptly detected. Thus even if an unauthorized person surreptitiously obtains the transaction number and associated payee identification information (such as payee's name and social security number), that information cannot be used fraudulently without physical access to the payee's official identification card, and any attempt at stealing the payee's official identification card will be promptly detected.

Finally, it should be noted that Applicant's system is compliant with the USA PATRIOT Act and the Bank Secrecy Act (see Background paragraph 0008) even if it is used to effect cash payments to persons not having any established relationship with the involved financial institutions. A person who has no prior criminal record can easily obtain multiple account cards (i.e., O'leary's contemplated VPL account card) and give these cards to a terrorist group, who can then use those cards to anonymously send money to any other member without being detected. Similarly, drug dealers and other members of an illegal drug ring could easily obtain account cards from third parties and use those cards to transfer drug money. In contrast, Applicant's system uses a machine-readable official identification card in a manner which not only protects against fraud, but also facilitates detection of money laundering, and terrorist financing activities as required by the USA PATRIOT Act and the Bank Secrecy Act. In particular, because each individual will typically have only one valid official identification card, there is a very high probability that any improper use of a lost, stolen or counterfeit identification card will be promptly detected.

The Commissioner is hereby authorized to charge any deficiency in the fees filed, asserted to be filed or which should have been filed herewith (or with any paper hereafter filed in this application by this firm) to our Deposit Account No. 50-0337, under Order No. 7443-102XX/10310539.

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